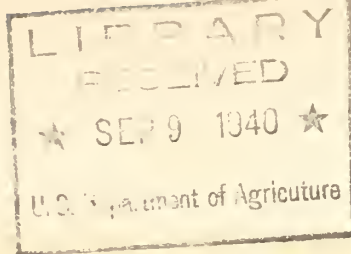


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Issued June 14, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

AMENDED REGULATIONS PERTAINING TO THE MAKING OF
ADVANCES TO PERSONS TO ENABLE THEM TO OBTAIN INSUR-
ANCE FROM THE FEDERAL CROP INSURANCE CORPORATION

By virtue of the authority vested in the Secretary of Agriculture by the Act entitled, "An Act to amend section 12 of the Soil Conservation and Domestic Allotment Act, as amended", approved March 25, 1939, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish and give public notice of the following regulations covering the making of advances to persons for the purpose of assisting them to insure their crops with the Federal Crop Insurance Corporation, which amend and supersede the regulations entitled, "Amended Regulations Pertaining to the Making of Advances to Persons to Enable Them to Obtain Insurance From the Federal Crop Insurance Corporation", approved and issued by the Secretary of Agriculture under the date of August 14, 1939, as supplemented. These regulations are to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said provisions of law.

(SEAL)

Done at Washington, D. C.,
this 14th day of June 1940.
Witness my hand and the seal
of the Department of Agriculture.

/s/ H. A. Wallace
Secretary of Agriculture

AMENDED REGULATIONS PERTAINING TO THE MAKING OF
ADVANCES TO PERSONS TO ENABLE THEM TO OBTAIN INSUR-
ANCE FROM THE FEDERAL CROP INSURANCE CORPORATION

Section 1. Definitions. As used herein and in all forms and documents relating to the making of advances to persons to enable them to obtain insurance from the Federal Crop Insurance Corporation (hereinafter referred to as an advance), unless the context or subject matter otherwise requires, the terms:

(a) Secretary, State committee, county committee and person shall have the meanings assigned to them in the Crop Insurance Regulations issued for the crop year with respect to which a person applies for insurance with the Federal Crop Insurance Corporation.

(b) The Corporation means the Federal Crop Insurance Corporation.

Section 2. Eligibility for Advance. In order to be eligible to request an advance, a person, at the time of making such request,

(a) must file, or have previously filed, with the county committee, the application for crop insurance to which the request for advance relates;

(b) must be participating, or agree to participate, in the Agricultural Conservation Program with respect to the crop year to which the application for insurance relates, to such an extent that the estimated payment to be earned under such program, together with the estimated payment under the Parity Payment Program if any, with respect to such crop year, less

(1) the pro rata deduction for county association expenses;

(2) grants in aid furnished in connection with such conservation program;

(3) the amount of such conservation payment assigned; and

(4) the sum of such person's indebtedness to the Agricultural Adjustment Administration and to the various agencies and departments of the Federal Government as set forth in the Order Governing Set-Offs revised by the Secretary of Agriculture January 31, 1940, or any amendment thereto or succeeding order, which will not be offset by deductions from payments made to such person for crop years prior to the crop year

to which the application for insurance relates,

is at least equal to the amount for which the request for advance is made; this amount of payment to be known as "net payment".

Section 3. Request for Advance. An advance will be made only upon request therefor submitted through the county office on a pre-scribed form. A request form shall be filed for each application for insurance for which an advance is desired.

Section 4. Manner of Payment. The amount of advance approved by the appropriate State Office of the Agricultural Adjustment Administration will be remitted by the Secretary directly to the Corporation. In the event the amount of the advance so remitted to the Corporation is in excess of the amount of premium due, the excess will be returned by the Corporation to the Secretary and the applicant's account credited with such amount: Provided, however, That, if the Secretary has been reimbursed for the amount of the advance, the excess will be returned to the applicant, and, if the Secretary has been reimbursed for a portion of the amount of the advance, the amount of excess needed to reimburse the Secretary for the entire amount of advance will be returned to the Secretary for the applicant's account and the remainder will be returned to the applicant.

Section 5. Forms and Instructions. The Agricultural Adjustment Administration shall prescribe such forms and issue such instructions as may be necessary to carry out these regulations.

Section 6. Signature and Authorization. The provisions of ACP-16, "Instructions on Signatures and Authorizations", are hereby made a part of these regulations.

Section 7. Repayment of Amount Advanced. The amount advanced for the payment of crop insurance premium shall be deducted from the agricultural conservation payment, or parity payment if any, to which the person obtaining the advance may become entitled with respect to the crop year to which the application for insurance relates or with respect to any subsequent crop year: Provided, however, That, if the person conducts his farming operations, during the crop year to which the application for insurance relates, in a manner which would prevent him from earning the amount advanced, it may be set off from any payment under any program administered by the United States Department of Agriculture earned by him. Notwithstanding the foregoing provisions for deduction from payments, the amount advanced may be deducted from any indemnity payable to such person under any insurance contract of such person with the Corporation. If the amount advanced is not recovered by deduction from payments and indemnities, the person obtaining the advance shall repay the amount advanced, or any unrecovered portion thereof, upon notice to him by the Secretary or his agent. If, however, as a result of a transfer,

by the person who obtained the advance, of his interest in all or a part of the wheat crop covered by a crop insurance contract another person becomes entitled to receive a 1941 parity or conservation payment which, except for such transfer of interest, would have been payable to the person who obtained the advance, the amount of the advance then unrecovered from the transferor, or the portion of such amount equal to the portion of the wheat crop which was transferred, as the case may be, shall be set off against such payment irrespective of whether the transferee acquired an interest in the insurance contract, provided, however, that any remaining balance due the United States shall remain an obligation only of the transferor who obtained the advance, unless the transferee has assumed the obligation of repaying the advance by becoming a party to the insurance contract. The authorization for deduction from payments and indemnities shall apply to payments and indemnities due the person who obtained the advance, or his transferee, which may be made to his successor in interest because of death, incompetency, insolvency or bankruptcy.